



**MINUTES AND MEMORANDA OF A MEETING
OF
THE BOARD OF DIRECTORS OF
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**

Held: March 23, 2017

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority ("IHCDA" or "Authority") was held March 23, 2017 at 10:00 a.m. at 30 South Meridian Street, Suite 1000, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Mark Wuellner (Lieutenant Governor delegate), Mark Pascarella (Public Finance Director of the State of Indiana delegate), Caitlin Larson (Kelly Mitchell Indiana Treasurer of State delegate), Scenario Adebesein, Tom McGowan, Jacob Sipe (Executive Director for IHCDA), members of the staff of the Authority, and the general public.

Mark Wuellner served as Chair of the meeting, and upon noting the presence of a quorum, called the meeting to order. Shenna Robinson served as Secretary.

I. Approval of Minutes

A. Meeting Minutes

A motion was made by Mark Pascarella to approve the February 23, 2017 Meeting Minutes, which was seconded by Scenario Adebesein; the following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held February 23, 2017 are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate

A. East Chicago Housing Authority Demolition

Chairman Mark Wuellner recognized Samantha Spergel who presented a recommendation regarding the East Chicago Housing Authority Demolition.

Background:

On February 9, 2017, Governor Holcomb issued an Executive Order for Declaration of Disaster Emergency in East Chicago which included the West Calumet Housing Complex ("Declaration"). As part of this Declaration, IHCDA is ordered to seek formal authorization from its Board of Directors to make available the sum of \$2 million for security and demolition of the West Calumet Housing Complex.

Process:

IHCDA received Neighborhood Stabilization Program ("NSP1"), funding through the U.S. Department of Housing and Urban Development. Congress established NSP1 for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. IHCDA currently has \$1,381,463.12 of NSP1 Program Income on hand and the demolition of blighted structures is an eligible activity for NSP1. Therefore, NSP1 funding can be used to demolish the West Calumet Housing Complex.

Pursuant to the Citizen Participation Plan outlined in IHCD's Consolidated Plan, on February 14, 2017, IHCD posted Public Notice PN-17-07 regarding the NSP Substantial Amendment to allow for the use of NSP 1 Program Income for the demolition of the West Calumet Housing Complex. Members of the public were invited to review the NSP Substantial Amendment at IHCD's offices, or through IHCD's website. The Public Notice was also posted in the Post Tribune and The Northwest Indiana Times. IHCD accepted public comment on the NSP Substantial Amendment through March 1, 2017.

The Managed East Chicago Housing Association, Inc. ("MECHA"), the non-profit, Community Housing Development Organization arm of the East Chicago Housing Authority submitted a formal application requesting NSP 1 funds of \$1,381,463.12 to aid in the demolition of the Housing Complex. MECHA also submitted the IHCD Community Based Development Organization ("CBDO") application. IHCD certified MECHA as a CBDO; the certification allows MECHA to retain any proceeds gained from the demolition of the property. Staff reviewed both applications to ensure the project met the Federal requirements as outlined in both the NSP 1 Federal Register, and IHCD's NSP 1 Action Plan and Substantial Amendment.

Following discussion, a motion was made by Scenario Adebesein to approve the allocation of NSP 1 Program Income funding in the form of a grant in an aggregate amount not to exceed \$1,381,463.12 to the Managed East Chicago Housing Association Inc., and an additional allocation of Development Funds in the form of a grant in an aggregate amount not to exceed \$700,000 to the Managed East Chicago Housing Association., as recommended by staff. The motion was seconded by Tom McGowan.

RESOLVED, that the Board approve the allocation of NSP 1 Program Income funding in the form of a grant in an aggregate amount not to exceed \$1,381,463.12 to the Managed East Chicago Housing Association Inc., as recommended by staff.

RESOLVED, that the Board approve the allocation of Development Funds in the form of a grant in an aggregate amount not to exceed \$700,000 to the Managed East Chicago Housing Association, Inc. as recommended by staff.

Jacob Sipe answered questions regarding the Executive Order and IHCD's activities related to the West Calumet Housing Complex. He described the following:

1. On February 9, 2017 – Governor Holcomb signed Executive Order 17-13 Declaring Disaster Emergency for East Chicago for 30 days (through March 11th) in the affected areas of the USS Lead site Zones 1, 2, & 3; which includes the West Calumet Housing Complex.
2. On March 10, 2017– Governor Holcomb issued a 30 day extension to Executive Order 17-13
3. As of March 15, 2017 there are 81 residents remaining in the complex.
4. Greg Stocking and Jacob Sipe participated in the Landlord Open House on Saturday, March 18, 2017.

B. Bond Volume/4% Credits – Davlan on Mass

Chairman Mark Wuellner recognized Alan Rakowski who presented a recommendation regarding Bond Volume/4% Credits – Davlan on Mass.

Background

IHCD is empowered to act as the housing credit agency for the State of Indiana to administer, operate, and manage the allocation of the Internal Revenue Service Section 42 low-income housing tax credit ("LIHTC") program. The purpose of the LIHTC is to provide an incentive for private developers and investors to provide more affordable rental housing. This may be accomplished by new construction and rehabilitation of existing structures.

Process

On January 1, 2016, IHCD began the 2016A-B bond round for multi-family bond volume. The 18th application received and reviewed represented a total development cost of \$5,383,440 with \$2,900,000 in bond volume and \$168,000 in LIHTCs annually for 10 years to preserve 36 units of affordable housing. The initial application also included a request for a \$500,000 loan from the Affordable Housing and Community Development Fund.

Davlan on Mass, LP proposes the rehabilitation and preservation of 36 affordable housing units in downtown Indianapolis. Located in the Indianapolis Central Business District, the project is within walking distance of thousands of jobs, restaurants, entertainment venues, and amenities.

During the round, the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2016-2017 Qualified Allocation Plan. Additionally, on March 1, 2017 the applicant was given an opportunity to present the project to members of the Executive Committee and the Real Estate Department.

Following discussion, a motion was made by Caitlin Larson to approve awarding \$2,900,000 in bond volume, \$168,000 in annual LIHTCs and \$500,000 in Affordable Housing and Community Development Fund funding to Davlan on Mass, LP for Davlan on Mass according to the terms of the 2016A-B Application Round, as recommended by staff; which was seconded by Tom McGowan.

RESOLVED, that the Board approve awarding \$2,900,000 in bond volume, \$168,000 in annual LIHTC and \$500,000 in Affordable Housing and Community Development Fund funding to Davlan on Mass, LP for Davlan on Mass according to the terms of the 2016A-B Application Round, as recommended by staff.

C. Bond Volume/4% Credits – Seminole on Alabama

Chairman Mark Wuellner recognized Alan Rakowski who presented a recommendation regarding Bond Volume/4% Credits – Seminole on Alabama

Background

IHCDA is empowered to act as the housing credit agency for the State of Indiana to administer, operate, and manage the allocation of the Internal Revenue Service Section 42 low-income housing tax credit (“LIHTC”) program. The purpose of the LIHTC is to provide an incentive for private developers and investors to provide more affordable rental housing. This may be accomplished by new construction and rehabilitation of existing structures.

Process

On January 1, 2016, IHCDA began the 2016A-B bond round for multi-family bond volume. The 14th application received and reviewed represented a total development cost of \$5,250,770 with \$2,900,000 in bond volume and \$164,000 in LIHTCs annually for 10 years to preserve 33 units of affordable housing. The initial application also included a request for a \$500,000 loan from the Affordable Housing and Community Development Fund.

Seminole on Alabama LP is proposing the rehabilitation and preservation of 33 affordable units located in the St. Joseph historic Neighborhood in Indianapolis. The property is within walking distance of numerous jobs, restaurants, transportation options, and amenities.

During the round, the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2016-2017 Qualified Allocation Plan. Additionally, on March 1, 2017 the applicant was given an opportunity to present the project to members of the Executive Committee and the Real Estate Department.

Following discussion, a motion was made by Scenario Adebessin to approve awarding \$2,900,000 in bond volume, \$164,000 in annual LIHTC and \$500,000 in Affordable Housing and Community Development Fund funding to Seminole on Alabama LP for Seminole on Alabama according to the terms of the 2016A-B Application Round, as recommended by staff. The motion was seconded by Mark Pascarella.

RESOLVED, that the Board approve awarding \$2,900,000 in bond volume, \$164,000 in annual LIHTC and \$500,000 in Affordable Housing and Community Development Fund funding to Seminole on Alabama LP for Seminole on Alabama according to the terms of the 2016A-B Application Round, as recommended by staff.

D. Bond Volume/4% Credits – Tibbs Court

Chairman Mark Wuellner recognized Alan Rakowski who presented a recommendation regarding Bond Volume/4% Credits – Tibbs Court

Background

IHCDA is empowered to act as the housing credit agency for the State of Indiana to administer, operate, and manage the allocation of the Internal Revenue Service Section 42 low-income housing tax credit (“LIHTC”) program. The purpose of the LIHTC is to provide an incentive for private developers and investors to provide more affordable rental housing. This may be accomplished by new construction and rehabilitation of existing structures.

Process

On January 1, 2016, IHCDA began the 2016A-B bond round for multi-family bond volume. The 20th application received and reviewed represented a total development cost of \$5,979,800 with \$3,100,000 in bond volume and \$220,855 in LIHTCs annually for 10 years to preserve 58 units of affordable housing. The initial application also included a request for a \$500,000 loan from the Affordable Housing and Community Development Fund.

Near West, LLC is proposing the rehabilitation of 58 single family homes on the west side of Indianapolis. The project will increase the number of renovated affordable homes and aims to create an environment of attracting new homebuyers into the community. The project site is located just 10 minutes from downtown and within close proximity to many restaurants, parks, grocery stores, and other amenities.

During the round, the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2016-2017 Qualified Allocation Plan. Additionally, on March 1, 2017 the applicant was given an opportunity to present the project to members of the Executive Committee and the Real Estate Department.

Following discussion, a motion was made by Mark Pascarella to approve awarding \$3,100,000 in bond volume, \$220,855 in annual LIHTC and \$500,000 in Affordable Housing and Community Development Fund funding to Near West, LLC for Tibbs Court according to the terms of the 2016A-B Application Round, as recommended by staff. The motion was seconded by Tom McGowan.

RESOLVED, that the Board approve awarding \$3,100,000 in bond volume, \$220,855 in annual LIHTC and \$500,000 in Affordable Housing and Community Development Fund funding to Near West, LLC for Tibbs Court according to the terms of the 2016A-B Application Round, as recommended by staff.

E. Ramp Up Update

Chairman Wuellner recognized Matt Rayburn who presented a Ramp Up Program Update.

No action is required as this is an update to the Board.

F. Elderly and Disabled Program Update

Chairman Wuellner recognized Matt Rayburn who presented an Elderly and Disabled Program Update.

No action is required as this is an update to the Board.

III. Community Programs

A. Realignment of Weatherization Service Territories

Chairman Mark Wuellner recognized Lauren Perry who presented a recommendation regarding the Realignment of Weatherization Service Territories.

Background

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The purpose of Indiana's Low Income Weatherization Assistance Program is to install energy conservation measures and provide client education for the permanent long term benefit of reducing the utility bills of low-income Hoosiers across the state.

Over a period of three (3) years, the Area Five Agency on Aging & Community Services, Inc. ("Area V") has been placed on a Quality Improvement Plan ("QIP"). Area V was given until November 15, 2016 to satisfy all the outstanding QIP requirements and has failed to do so. Therefore, at the conclusion of the QIP term a decision was made not to renew Area V's weatherization contracts for the five counties it has served.

Realignment Process

On February 1, 2017, IHCD released a Request for Proposals ("RFP") for weatherization service provider(s) for Howard, Cass, Miami, Tipton and Wabash counties. The RFP was posted on IHCD's partner and public websites and released through govdelivery.com.

Proposals were due February 28, 2017. Three proposals were submitted, each requesting to be awarded one or more of the five (5) counties. North Central Community Action Agencies, Inc. submitted a proposal for Cass County. Community Action of Northeast Indiana, Inc. d/b/a Brightpoint ("Brightpoint") submitted a proposal for Miami and Wabash Counties. JobSource, Inc. submitted a proposal for Howard and Tipton Counties. The respondents listed above are in good standing with IHCD, have many years of experience managing weatherization programs, have qualified weatherization staff and contractors, and are not currently on a QIP.

The initial review team consisted of three (3) non-weatherization staff at IHCD. In addition to the in-house review process, the RFP process and response were open for public review and comment for ten (10) days prior to a public hearing that was held on March 15, 2017.

Staff recommended the following: North Central Community Action Agencies, Inc. will add Cass County to its weatherization service territory; Brightpoint will add Miami and Wabash Counties to its weatherization service territory; Job Source, Inc. will add Howard and Tipton Counties to its weatherization service territory.

Following discussion, a motion was made by Scenario Adebisin to approve the realignment of the Howard, Cass, Miami, Tipton and Wabash counties, as recommended by staff. The motion was seconded by Caitlin Larson.

RESOLVED, that the Board approve the realignment of the Howard, Cass, Miami, Tipton and Wabash counties, as recommended by staff.

IV. Executive

A. Executive Update

Chairman Wuellner recognized Jacob Sipe who presented an Executive Update.

1. **IHCD Annual Report.** IHCD's 2016 Annual Report has been completed.

2. **Strategic Plan Update**

- a. IHCD contracted with Thomas P. Miller and Associates ("TPMA") to help with developing the strategic plan.
- b. IHCD hosted 4 listening sessions:
 1. February 14, 2017 in Lafayette
 2. February 15, 2017 in Jasper.
 3. March 1, 2017 in Jeffersonville
 4. March 15, 2017 in Fort Wayne
- c. Thank you Mark Wuellner for facilitating these sessions and the Board for its feedback.

- d. The last listening session is on March 24, 2017 in Fishers.
- e. IHCD A has scheduled two half-day sessions with TPMA and IHCD A staff
- f. IHCD A plans to have Final Draft of Strategic Plan Finalized by end of May.

3. **HUD Lead Hazard Reduction Demonstration Grant Program**

- 1. Sam Spergal worked on the application.
- 2. Funding can be used for families with children under 6; homes older than 1978, for both owner-occupied homes and rental housing.
- 3. Partnering with Indiana Department of Health (David McCormick)
- 4. The grant requires \$850,000 of match, IHCD A will use CDBG-DR Program Income for match.
- 5. The following cities have submitted applications: East Chicago, Gary, Indianapolis, South Bend, Evansville, Fort Wayne.
- 6. Good job Sam Spergal. Joe Palus also helped out by providing data related to the application.

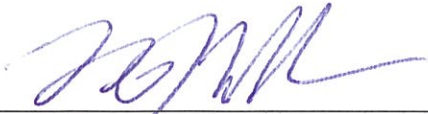
4. **HHF Pause**

- 1. On April 1, 2017, there will be a pause in the HHF program.
 - i. During this time IHCD A will analyze what amount of funding is available so that IHCD A can determine how many additional homeowners can be accepted into the program.
 - ii. Applications in process must be submitted by April 1, 2017.
 - iii. After April 1, 2017, applications will remain open but will not be processed.
 - iv. This was communicated to the 19 housing counseling agencies this week that work with homeowners in all 92 counties applying for HHF.
 - v. A conference call will take place March 28th to ensure the appropriate message is communicated to applicants.
 - vi. We are also in the process of communicating this pause to our state and national elected officials.
 - vii. The online portal to accept applications will remain open.
 - viii. We have asked housing counselors to reach out to homeowners that have started the application process to encourage them to get in all of their materials by March 30th to ensure they don't experience a delay in processing.
 - ix. After April 1, 2017, applications will remain open but will not be processed.
 - x. Homeowners submitting after April 1st will be notified of the delay and the counselors will work with these homeowners to locate other sources.
 - xi. On April 30th IHCD A will determine whether to begin processing those application or continue the pause.

V. **Other Business**

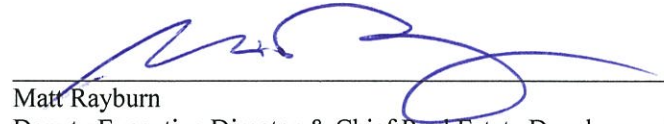
There being no further business, a motion was made by Mark Pascarella to adjourn the meeting, which was seconded by Tom McGowan; the motion passed unanimously and the meeting was adjourned at 10:45a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J. Wuellner', written over a horizontal line.

Mark J. Wuellner as designee of
Lieutenant Governor, Suzanne Crouch

ATTEST:

A handwritten signature in blue ink, appearing to read 'Matt Rayburn', written over a horizontal line.

Matt Rayburn
Deputy Executive Director & Chief Real Estate Development
Officer for IHCDA